JOURNAL OF AMERICAN INSURANCE

SEPTEMBER, 1959 Vol. 35—No. 9

U. S. Watches This "Volunteer" Plan

Back to School—Safely

Get Ready for Business in Space

Bad Drivers Are Levying on You

Bookloads of Good Will

World Center in Loss Prevention

JOURNAL

OF AMERICAN INSURANCE

SEPTEMBER, 1959 Vol. 35—No. 9

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FRONT COVER—*Great Fire of London*

BACK COVER—*Chicago Fire Site, Present-Day*

OUR COVERS

NO PLEASANT September scene, the Great Fire of London *(front cover)* had horror and losses aplenty to be the crucible from which emerged fire insurance as it is known today *(page 25)*. Burning itself out just short of the complete annihilation of a great city, the five-day blaze laid waste 13,200 houses, 89 churches including St. Paul's Cathedral, and many public buildings. Only six people perished in the flames, but hundreds died from exposure and shock, and total property loss was £10 million or more.

Just as the London fire was the crucible, the Chicago fire in October, 1871, was a testing ground for fire insurance. The estimated loss on 17,430 destroyed buildings and other property was $175 million, with insurance company claims adding up to $90 million. A portion of the fire site, present-day *(back cover)*, depicts how Chicago and other great cities have rebuilt after disastrous fires with full assiduity to the lessons taught. ⊙

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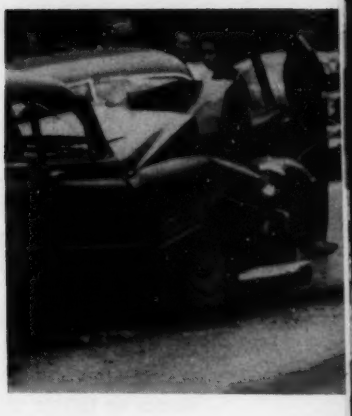


TENNESSEE PLAN

For protection from careless, cashless motorists.

By BUFORD ELLINGTON
Governor of Tennessee

"THE LEAST IMPERFECT and the most republican of any state." That's the tribute which Thomas Jefferson paid to the state constitution of Tennessee when it was adopted in 1796.

That's the standard, too, that we have tried to set in our new Financial Responsibility Law as the solution for this menace known as "the irresponsible motorist"—a standard fair and equitable, practicable, endowed with free enterprise, and one that puts the responsibility and initiative on the individual. Above all, we didn't want a law as drastic and radical as some that are being advanced.

The law was enacted by our 81st General Assembly and has been effective since July 1, 1959.

We have been told that in many respects it is a model for the nation and the first of its particular pattern. As the "Volunteer State," Tennessee thus finds herself in the role of leading the way to relief from the economic distress caused by the irresponsible motorists on our highways.

The legislation creating this new financial responsibility law was introduced by the delegation from Shelby County (Memphis), and by dint of hard work and perseverance those gentlemen got it enacted.

As we begin to administer this new law, we are certain there are details which will have to be worked out, and I imagine there will be some features we might have to ask the next Legislature to change. Since this is a new departure in financial responsibility laws, I think it is easy to understand why our Safety Department is feeling its way slowly in setting up methods of

enforcing it, and why a period of experimentation will be necessary.

We hear that Nebraska, almost concurrently with us, has passed a similar law and that Governor Ralph G. Brooks is backing it strongly. We welcome the partnership of our sister state and hope that many others will join us.

All of us have a common problem: What to do about the irresponsible drivers who cannot pay for the injuries or damage they cause and for which they are liable. Tennessee is probably no worse or better than most other states. An estimated 70 per cent of our drivers are insured. As one indicator of our accident record, we had 719 traffic deaths in motor vehicle accidents in 1958 and 699 in 1957, the two most recent years for which figures are available. For the two years, the death rate was 5.6 and 5.8 per 100,000 vehicle miles.

The crux of our problem, as in other states, is that we have, say, 30 per cent or some other too-high a percentage of our motorists financially irresponsible. That means they are either uninsured or otherwise unable to pay for injuries or damages of their own doing.

In common with other states, Tennessee has been grappling with this problem for a long time. But the problem has been cancerous, increasing faster than the cures under our old laws. Today the highway accidents in Tennessee are twice what they were in 1951—40,000 in recent years as compared to 20,523 in 1951. In recent years we have revoked from 5,000 to 7,000 licenses annually, but the problem has grown apace with the increase in cars and drivers.

Double Protection for Public in New Plan

Now, with our new law, we are far better equipped to take action against traffic violators and careless and irresponsible vehicle owners and operators who become involved in accidents. We have set up double protection for the public by revoking the privilege to drive in the case of irresponsible motorists and by encouraging *all* drivers to become financially responsible.

There are several ways they can do that: (1) by possession of insurance, which is instantaneous proof of financial responsibility; (2) by posting a bond or collateral in sufficient amounts, or (3) by providing a certificate of self-insurance.

The law also has a full set of formidable "teeth" for dealing with violators.

We can be sure that such a law in Tennessee or any other state will get a real workout in the problems posed for the future by the trio of automobiles, drivers and highways.

By 1975, according to a federal investigation and study, we will have in this country 111 million licensed drivers, 110 million registered motor vehicles, 1.17 billion vehicle miles of highway travel, 51,000 highway deaths and a toll of $9.5 billion in cost of highway accidents.

It is none too soon to be doing something concerted and forward looking about the motorist who neglects to make financial provision for the injury or damage done to others in accidents for which he is responsible.

In the new law Tennessee also has a befitting adjunct to its highway improvement program. During the next 3½ years we plan to spend $475 million on our highway program. We think this is the sound, forward-looking approach. Neither traffic laws alone nor traffic-safe highways nor foolproof automobiles by themselves will solve our highway accident, death and loss problems. Those problems are a complex of auto-driver-highway and must be so attacked.

Expert Knowledge and Experience Combined

Some have described our new law as "the toughest automobile financial responsibility law in the nation." We think it is better than just the "toughest." Certainly it has been good enough to win strong support from many individuals and groups throughout the state as indicated by the testimonials appended to this article. Also, we know that it embodies the thinking of some of the best minds in the business.

In drafting our new law we drew upon the experience of other states and applied our own resources and purposes through the offices of the Legislative Council Committee, Department of Insurance and Banking, Department of Highways, Tennessee Safety Council and many others.

Captain Leslie C. Brown, of our state Department of Safety, under State Safety Commissioner Greg O'Rear, has the job of administering the new law.

Just how tough is it, and how will it operate to help us solve our problem of the careless, irresponsible motorist?

Here's a hypothetical case which answers part of the question: Car owners are responsible for their vehicles, and that responsibility remains the owner's when the vehicle is loaned to a friend. If the friend is arrested and convicted of drunken driving or any other offense that carries an automatic revocation of a driver's license, of auto registration or of both, the owner and his friend may be punished.

If the friend can't show financial responsibility, he loses his driver's license and his license plates if he has any. The car owner, if he can't show financial responsibility, receives the same penalty. Additionally, the owner loses the license plates on any other vehicle he owns.

Is that too tough? Can we possibly get too tough when drunken drivers are involved in 50 per cent or more of fatal highway accidents on our nation's highways?

Provisions Have Many Distinctive Features

For a showing of financial responsibility, the minimum amount of cash bond that can be posted is $500, regardless of the amount of damages. The minimum amount of liability insurance to establish financial responsibility is

← Highway responsibility in this accident was a prime consequence to seven victims — two being killed and five injured — not to mention the property damage. Two cars hit head-on on a straight county-line Tennessee road with a slight grade. Tennessee expects its new plan to help curb such tragedies hereafter.

→ Such accidents too often pose the problem which Tennessee hopes to solve—the problem of the motorist either uninsured or unable to pay for injuries and damages he has caused and for which he is liable. These three ambulance cases resulted when one car ran a red light, struck a car in the intersection.

← Financially responsible motorists, given safe, modern highways, are being counted upon by Tennessee for a reduction in the highway accident and death toll. This is the state's first completed link in the interstate system going to Birmingham.

→ Present-day congested traffic permits no careless, irresponsible driving. This is Tennessee's busiest intersection, the East-West-North-South crossroads in Nashville where an average of 55,235 motor vehicles are passing every day.

Tennessee Plan

5-10-5—$5,000 for one personal injury or death, $10,000 for multiple injury or death, and $5,000 for property damage.

Here are some of the other features distinctive of our Tennessee law. Every one of us can recall accident cases which attest to the merit of these provisions.

¶ Unless financial responsibility is established, the period of license revocation shall be two years instead of one. Under our old law it was one year.

¶ After a license suspension or a revocation for any cause whatsoever, a person will be required to pay a restoration fee of $25. Additionally, the licensee is required to maintain proof of financial responsibility for five years.

¶ Failure or refusal to surrender a revoked registration or license upon demand is automatically a misdemeanor.

¶ When a motor vehicle is in any manner involved in an accident in which one or more persons suffer death or personal injury requiring hospitalization, the owner is required to establish financial responsibility within 48 hours of the accident. Otherwise, the owner is required to impound his vehicle, to notify the Commissioner of Safety where it is impounded and forward his registration certificate and registration plates.

¶ When an operator's license is suspended on basis of a conviction, the registration plates of any and all vehicles owned by him are suspended unless proof of financial responsibility is maintained for five years thereafter.

¶ If a person's license is suspended on the basis of a conviction and he is not the owner of the vehicle, the owner's license and registration will also be suspended unless he establishes and maintains financial responsibility for five consecutive years thereafter.

¶ A person convicted of a moving traffic violation (such as running a red light, exceeding the speed limit) will be notified by the Safety Commissioner of the necessity of establishing financial responsibility. If it is not established, the convicted person's license is suspended. Upon second conviction of a moving violation within 12 months, the operator is required to show proof of financial responsibility for five years thereafter. If this is not done within 10 days of notice, his operator's license and all registrations will be suspended.

¶ An unlicensed person convicted of any offense requiring revocation or suspension shall not be issued any license until financial responsibility is established; it is required to be maintained for five years.

¶ If the owner and operator of a vehicle involved in an accident are not the same, all licenses and registrations of each shall be revoked unless proof of financial responsibility is established.

¶ After a person's license is suspended or revoked, his privileges can not be restored until he establishes financial responsibility, which must be maintained for five years.

¶ The law applies to non-residents as well as residents of Tennessee.

¶ Any person whose license or registration has been suspended or whose policy or bond when required under the law is cancelled or termi-

nated shall immediately return his license and report to the Safety Commissioner; failure to do so is subject to a fine of not more than $500 or 30 days in jail or both.

Insofar as the administration and enforcement are concerned, we believe that the new law is going to do the job more equitably and at lower cost to the public than could be done by alternate plans. We have taken on some additional help to assist with the clerical work under the plan, but in the main the handling of it is going to be done by the regular staff of our Department of Safety.

Plan Commended to Other States as Superior

Tennessee didn't rush into this blindly. We have been gaining experience with a financial responsibility law since 1951. Also we know there are other more drastic plans such as compulsory automobile liability insurance and the unsatisfied judgment plan. But we wanted a plan that was fair and equitable, that was practicable, that induced individual responsibility and initiative and, above all, that preserved free enterprise.

We think we have such a plan in our new and strengthened financial responsibility law. It definitely is not compulsory insurance. It is purely optional. We understand that it already is being spoken of as "The Tennessee Plan." We have no copyright on it; any state is welcome to use it. We hope many of them do to the end that these United States can have careful, responsible drivers along with our modern automobiles and improved highways and thus save thousands of lives and millions of dollars annually. ⊙

TREMENDOUS EFFECTS NOTED

The amendments to the Financial Responsibility Law in Tennessee appear to be having a tremendous effect in causing uninsured motorists to buy automobile liability insurance. Reports from all segments of the industry would indicate this. These amendments to our law, supported in their enactment by insurance people generally, should constitute an effective answer to the problem of the uninsured motorist—an answer which is being found without resort to the more radical legislation such as outright compulsory laws, establishment of state operated unsatisfied judgment funds, and mandatory uninsured motorist endorsements, each of which have resulted in confusion and problems wherever they have been tried.

JOHN R. LONG,
Tennessee Insurance Commissioner.

SHOULD SOLVE PROBLEMS

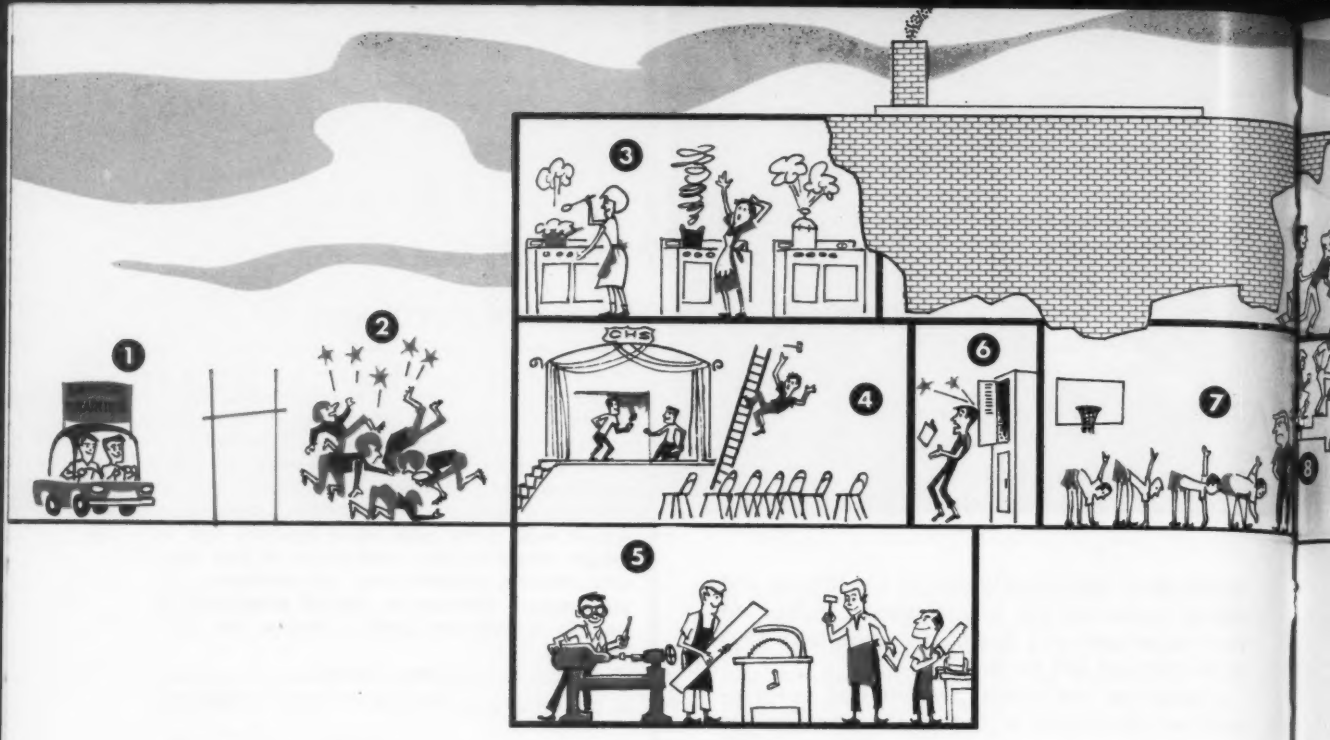
The 1959 General Assembly of the State of Tennessee amended and extended the Financial Responsibility Law of this state to strengthen the existing law and to extend same to include other fields not previously included. This law attempts not only to encourage restitution after accidents but to encourage the public to become financially responsible prior to such incidents by requiring proof of financial responsibility after a hazardous accident. These and other stronger features of the statute should and will in my opinion result in the uninsured motorist problem becoming one of social insignificance. It would appear that this act would have also a beneficial effect as to safety on the highways.

CAPT. LESLIE C. BROWN,
Director Financial Responsibility, Department of Safety.

MOTORISTS RESPONDING

Effect of the new Tennessee Plan was almost instantaneous in inducing financial responsibility on the part of motorists who theretofore had been laggard or substandard. One measure of this effectiveness is the number of motorists who proceeded immediately to take out automobile liability insurance policies. Prominent insurance companies in the state reported increases of from 400 to 800 per cent in the number of policies issued.

Three options, including a satisfactory liability insurance policy, are open to motorists in establishing financial responsibility. The other two are (a) a posted bond in sufficient amount or (b) posted collateral in such amount as the state Safety Department considers necessary. ⊙



SCHOOL DAYS—HAZARD DAYS

Opening sessions pose new highs in risk-insurance problems.

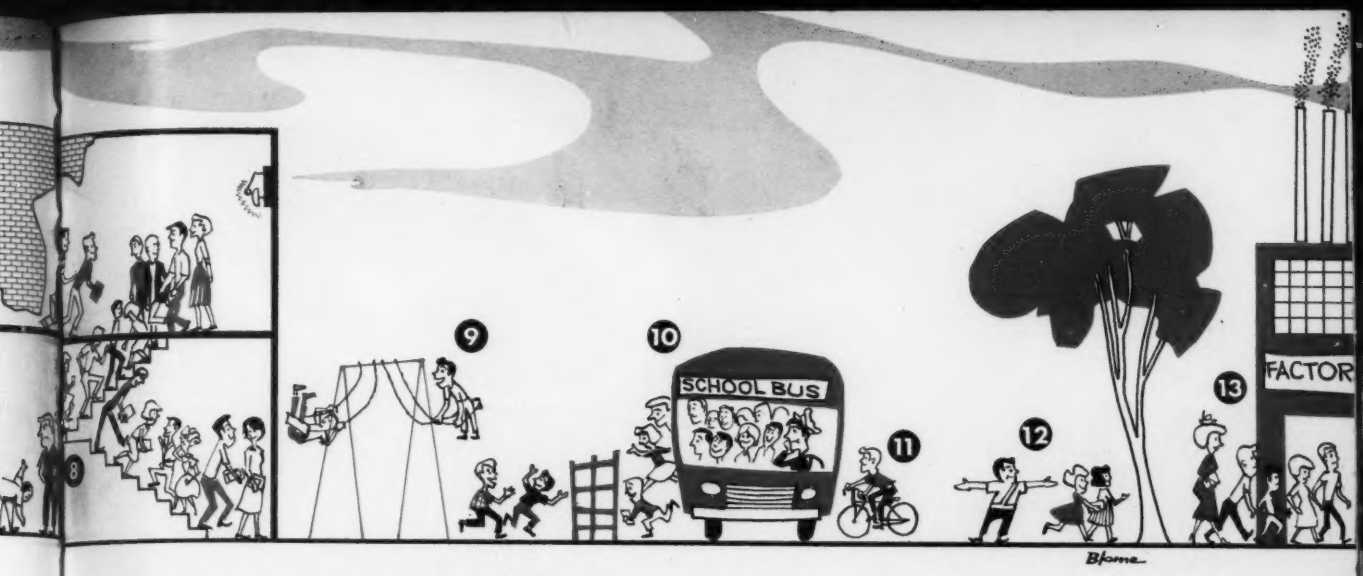
IT HAS BEEN 110 years since the invention of the safety pin. A nation of apprehensive mothers and fathers will be wishing they had a new simple safeguard akin to the safety pin which they could affix to their offspring as they send a record number of more than 43 million children back to the classrooms this month.

For the grim fact is that the school plant and the trip to and from school account for two-thirds of the accidents to school-age children. In comparison, mishaps at home make up only 14 per cent of the total.

Congestion and overcrowding loom as new hazard breeders, for the nation's school-age population is headed for a 5½ million increase in the next four years.

Spotting school hazards and taking preventive measures require flexible thinking in these days of changing educational emphasis. Laboratories, for instance, are the scene of broadened risks in these science-oriented times. So are our athletic fields and gymnasiums. Rather than fading in favor of physics in this post-Sputnik era, sports are headed for new highs in popularity, in the opinion of Simon A. McNeely, Department of Health, Education and Welfare specialist in physical education. In sharp disagreement with some observers, McNeely labels as "an unwarranted premise" the idea that de-emphasis of athletics is necessary to achieve a sharper focus on space-age subjects.

Important among recurring school hazard questions are those concerning liability for student accidents, with answers far from clear in many states and inconsistent nationwide. Some insurance men intimately involved in protecting U. S. students and the nation's $30 billion school plant note a recent ruling as being in a current trend. In Illinois, the Supreme Court nullified a 61-year-old immunity that school districts had enjoyed from damage suits arising out of negligence of their employees. Applauding the decision, one newspaper offered a solution to the new responsibility handed school districts. Said the Chicago Daily News: "Insurance is the answer." ⊙



EXTRA-CURRICULAR IN '59: *Adventures—and Accidents*

1 Driver training courses, newly offered by an increasing number of schools, are among safest student activities. To provide facilities for more youths, part of the more costly classroom-type equipment is now set up in buses in some areas, can be moved from one school to another.

2 Athletics, principally football and basketball, are the source of the most frequent accidents on school property. With experts predicting a continued rise in participation in sports across the nation, insurance covering student athletes may service new high in claims.

3 School homemaking and science laboratories have similar safety records, both well down on the list of accident-causers in recent years. Equipment and materials used have kept safety men watchful, however, not only from student accident angle, but for fire, explosion risks.

4 Second most frequent sites of school accidents are auditoriums and classrooms, worst of all for middle-grade youngsters. According to the National Safety Council, accident rates for children decrease when they enter elementary school, then rise sharply after they leave.

5 Manual training shops rate relatively high among school hazard areas, feature equipment that may produce more severe accidents than other common student activities. Shop cases have been noted in long-continuing controversy over historic school-district immunity to damage suits resulting from an employee's negligence. The most recent state to pass law making schools responsible in such cases is Illinois, with $10,000 maximum liability.

6 Corridors and lockers together account for another good portion of student mishaps, leading to numerous claims on pupil accident and health policies that are gaining popularity as one of newest types of school insurance. School trend has been steadily away from self-insurance in most cities, and of 20 states that have tried self-insuring municipal property, only eight still do so.

7 Along with organized sports, gym classes and physical education programs are looking to their biggest year in 1959 providing record opportunities for falls, sprains and contusions. Showers and dressing rooms, though low in overall accident frequency, will not go injury-free.

8 Stairways are another major school hazard-trap and when coupled with outside steps and walks they are the scene of more accidents than manual training shops or baseball diamonds. Also of concern to parents, safety men and others are stairways that are potential chimneys.

9 Number three schooltime danger is playground apparatus, which ranks particularly high in accidents of children from kindergarten through the third grade, then begins to fade as a hazard. Falls are the big problem here, as they are at home and going back and forth to school.

10 School buses have a good safety record but are faced with evermore congested traffic and rising school enrollment. An estimated 11 million students rode daily in 150,000 school buses last year. Safety experts say overcrowding is not a problem on public vehicles yet.

11 Going to and from school accounts for roughly one student accident in ten. Falls on streets and sidewalks are the most frequent trouble. Motor vehicle accidents come next but they are much lower than auto-caused injuries to children that occur while away from school.

12 Hazardability of school safety patrol duty has been argued in past but National Education Association, other groups favor properly run patrol programs as conducive to student safety. Danger lies in improper selection, training or supervision of youngsters named to program.

13 Field trips add new hazards to school days, pose need for adequate safety and insurance measures. The record of recent years is very good, will require concentrated effort to match as more students make trips this year.

OUTWARD TO

Aerojet-General Corporation

Nuclear-propelled spaceship nears a satellite station 3,000 miles above U.S. on space journey in not-too-distant future.

An equatorial space station circles earth above Antarctica. Parts and workmen would be rocketed into orbit for construction of stations like this and ring type illustrated above.

Aerojet-General Corporation

Passenger and cargo spaceships of future will require numerous multistage booster rockets. Alloy construction must withstand 11,000-degree heat.

Vanadium Corporation of America

Uncharted risks abound,

but blastoff is closer than realized.

TO NEW WORLDS

THIRTY YEARS AGO this month the German Fritz von Opel made man's first rocket-powered plane flight. He was aloft 75 seconds, and traveled two miles.

Thirty years from this month—or perhaps in five or ten—rockets will have carried men hundreds of thousands of miles into space—to the moon, to Mars, to Venus, to most of the places that since the beginning of time have been but specks in men's telescopes, or dreams in their wild imaginations.

Space travel is no longer science fiction. It is here. No more scientific breakthroughs are required to send men to other planets—only continued engineering and experimentation, the experts say. The first seven Americans are getting set to blast off into space in 1961, hopefully—but not likely—before the Russians, who were already testing rocket engines and propellants 30 years ago.

Hundreds hope to follow the space pioneers, to build space stations and laboratories, probe the planets, scout and explore and then man the moon and Mars. No sacrifices to science will these spacemen be; the best research and safety engineering known to man are being pushed feverishly to prevent it.

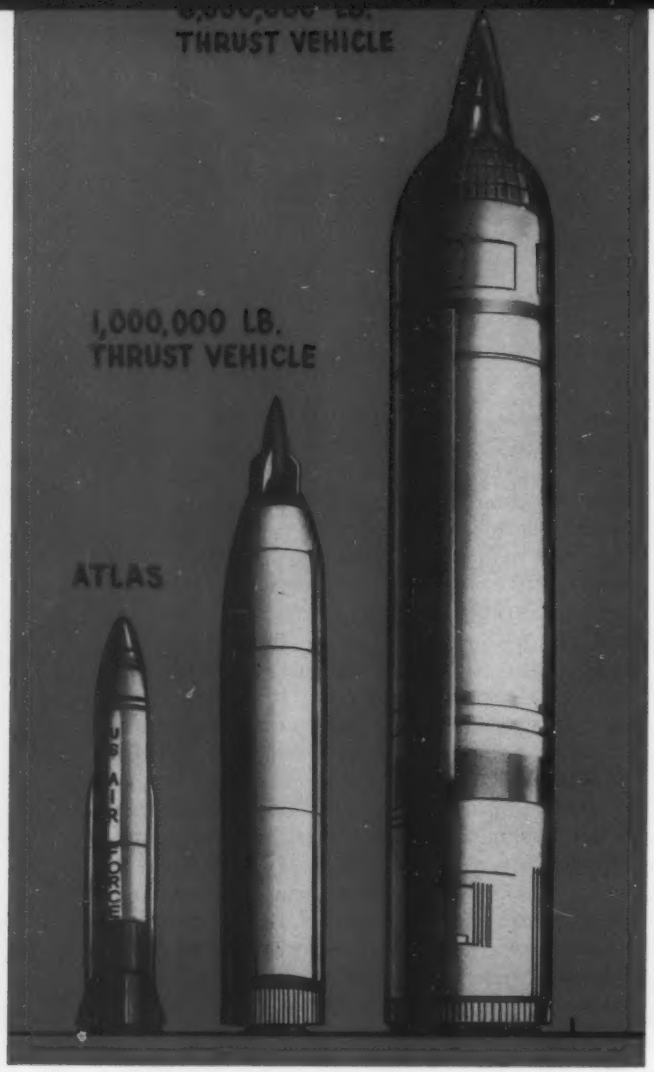
Yet everything about space travel poses problems man has never known before—speeds and distances so great he cannot even imagine them, risks no insurer could even guess at, let alone provide coverage for. A single big multistage space vehicle, for example, may cost $1 billion, and a "near miss" in guidance, as one expert put it, "could send it and its passengers off into space for good," a risk no one, insurer or not, would care to contemplate.

There'll be unknown hazards, too, in the oxygenless, atmosphereless, infinite vacuum of space. And so insurance men, like everyone else, will be watching with professional as well as personal curiosity the experiences and the findings of the first space explorers, for from these will come the framework for the insurance of the future.

There'll be no field for fire, wind and hail insurance on the moon, insurers already know. A careless match dropped on that oxygenless planet couldn't burn—but then neither could a spaceman's cigarette. There is no weather as earthmen know it. People may be healthier and hence better life-underwriter risks living on other planets, if lack of natural life includes absence of bugs and bacteria. Overweight folks might find relief on the moon, where they'd weigh just a sixth as much.

But there will be hazards like these: Unpredictable sunspot rays packing half a billion volts, sure death to a spaceman. Radiation that will dwarf present nuclear hazards—the two giant doughnut-shaped Van Allen radiation belts above the earth, the cosmic rays 100 times more powerful 15 to 20 miles up than at sea level. Temperatures ranging from freezing cold to 11,000 degrees on re-entering the atmosphere. Lack of oxygen and atmospheric pressure. And millions upon millions of meteors.

These little particles may prove to be the major source of property damage in space travel, yet little is known of their nature. Scientists say 90 million a day enter the earth's atmosphere. They'll erode away a spaceship en route to the moon, some say; they're soft and harmless, say others. One the size of a pinhead could puncture a steel spaceship, and a one-ouncer destroy it. But the chance of being hit by a big



Rocketdyne

Today's Atlas ICBM is dwarfed by proposed vehicles of future. *Journal* artist added man for size comparison. Four engines of 1.5 million-pound thrust may land man on the moon about 1965.

X15 rocket ship cuts loose from mother plane on test flight. At speed up to 4,500 miles an hour, it will carry man beyond earth's atmosphere for first time and return, possibly this year. Pilot will be Air Force Capt. Robert White of New York.

North American Aviation, Inc.

one is one in 50 or 100 years of travel. No, other space students contend, one out of 25 moonships would be destroyed. Little wonder insurance men want to wait for a few more facts before trying to figure out rates and coverages for space travel.

Meteor bumpers, as suggested by one space buff, might not be the answer. But for many other hazards of space, safety devices are being developed and tested to an extent never imagined by the first fliers, sailors or motorists.

The first space capsule, already built, may be cramped (living quarters are two feet wide), but it will shield the occupant against deadly radiation. A plastic couch molded to his body will enable him to stand a force up to 25 Gs (25 times his own weight), and crushable aluminum honeycombing will cushion him when he lands. Retrorockets will slow his 17,000 miles-per-hour speed for landing, and parachutes will waft him into the ocean for pickup. Doctors will keep tabs on his breathing, heartbeat and body temperature from the ground through it all. Extra oxygen supplies and other emergency devices will give the spaceman an estimated 95 per cent chance for survival even in case of an unforeseen accident, it is believed.

As for collisions with other space vehicles, even when the sky is speckled with them, the prospect looks a bit brighter than the auto accident rate on earth. There's plenty of room in space for all, so if all nations cooperate in space traffic control efforts and if a worldwide communications system can be perfected to transmit positions and instructions, there should be little problem. UN committees are at work on these goals now, and inventors are already coming up with navigational aids for the day spaceships will be manually controlled. A retired navy officer came up with a spherical plastic position-finder, and a Minneapolis-Honeywell scientist—it's the truth—with a Handy Dandy Orbital Computer, known scientifically as HaDOC.

By the time nations are building laboratories and stopoff stations in space, possibly in two years, methods no doubt will have been found to help spacesuited workmen perform efficiently and avoid injury even while floating weightlessly in the zero gravity. And no doubt soon after, insurance will, of necessity, come up with the

space-tailored workmen's compensation and other coverages man will always require.

For the moment, though, the two areas in which it appears insurance will first be needed are indemnity for large hazardous risks by companies already involved in the missile space programs, and liability for damages caused by falling space objects. The U. S. State Department's legal adviser, Loftus E. Becker, is pushing in the UN for an international space code containing provisions on the latter. The risk potential, of course, is fantastic. The impact of fragments from a single disintegrated missile, for instance, would be sufficient to destroy the Empire State Building, according to New York attorney William A. Hyman, co-chairman of the Inter-American Bar Association's Committee on Interplanetary Space.

Despite such frightening possibilities, don't dismiss anything about outer space as impossible or implausible. Just remember that almost 500 years ago a single man opened up a whole new world and gave the old world a push without even knowing what he was doing. His name was Christopher Columbus. ⊙

Chart shows heavy payloads that could be sent to moon or Mars with booster combinations of a giant million-pound thrust engine. These would make manned interplanetary flight possible.
Rocketdyne

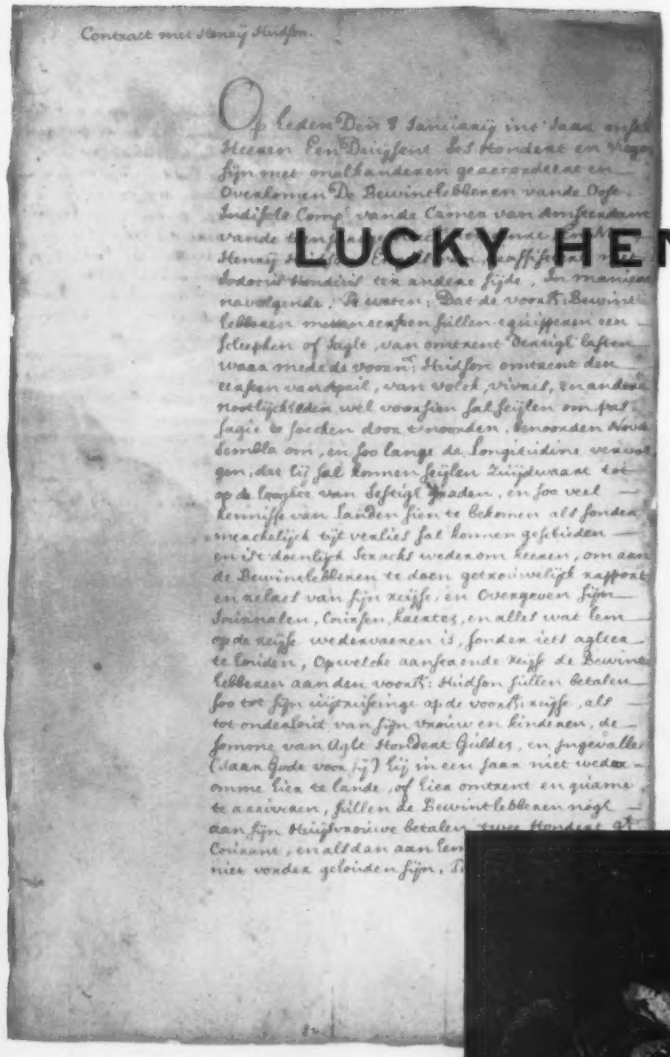
Fate favored

the famed explorer,

LUCKY HENRY HUDSON

but persistence and insurance

helped too.


Contract met Henry Hudson.

Op heden Dese 8 Januarij ins Jaar ons Heeren Een Duijsent Ses Honderd en Negen sijn met malkanderen gearresteerde en Overkomen De Bewinthebberen vande Oost Indische Comp. vande Camer van Amsterdam vande [illegible] met Henry Hudson [illegible] Sodanich Vlandrie ten anderen syde, In manieren navolgende. Te weten, Dat de voorsz. Bewinthebberen meenen te schepen stellen equipperen en Scheepen of Sijle, van ontrent Dertich Lasten waar mede de voorn. Hudson omtrent den 1 April varende, van volck, victuael, en andere noodtlijckheden wel voorsien sal seijlen om met Sagie te soecken door Noorden, Noordoosten Noordwesten, en soo lange de Longitudine verandert, dat hij sal konnen seijlen Suijdwaart tot op de Lengte van Sesentich Graden, en soo veel kennisse van Landen sijn te bekomen als sonder merckelijck tijt verlies sal konnen geschieden — en sij daerlijck Schachs wederom keeren, om aen de Bewinthebberen te doen getrouwelijck rapport en reliast van sijn reijse, en Overgeven sijn Journalen, Compassen, Caertes, en alles wat hem op de reijse wedervaren is, sonder iets agter te houden, Opwelcke aenstaende reijse de Bewinthebberen aan den voorn. Hudson sullen Betalen soo tot sijn uijtreijsinge op de voorn. reijse, als tot onderhout van sijn vrouw en kinderen, de somme van Sesse Honderd Guilders, en ingevalle (daen Godt voor sij) hij in een Jaar niet wederom mocht comen te Lande, of sijn ontrent en quame te overlijden, sullen de Bewinthebberen nogh aen sijn Huijsvrouwe Betalen twee Honderd Carolus Guldens, en alsdan aen sijn Kinderen niet verder geholden sijn. [illegible]

Netherlands Information Service

Henry Hudson's contract with the Dutch East India Company for his 1609 voyage was discovered by researchers in archives in the Hague. His exploration of Hudson river laid groundwork for settlement of New York City and State, now among richest, most populous areas in world.

Hudson receives his commission from Dutch East India Company. The *Half Moon* was firm's ship.
Bettmann Archive

Bettmann Archive

Hudson is greeted by the Indians on first landing in the New World. They were friendly at first, brought gifts and sang greetings. Later they killed crewman with arrow, invaded ship.

HENRY HUDSON was lucky in a lot of ways. He'd be the first to reflect on that if he were around for this year's gigantic 350th anniversary celebration of his famous U. S. river voyage.

But undergirding his luck was an insurance proviso rare even in sea lore.

Hudson was lucky his voyage is remembered at all, rather than shunted into history as one of the most blundering failures of all time.

For Henry Hudson thought he was headed for Cathay, that September in 1609, when he stumbled onto the New York river and explored it almost up to Albany. Commissioned by the Dutch East India Company to find a North Pole shortcut to the fabled Far East, the English seaman in his 58-foot ship faced mutiny by his crew in icy arctic waters. Undaunted, he turned westward, hoping to find the Northwest Passage, and, in an interesting accident of fate, wound up on America's east coast.

Hudson was lucky too that storms along the Palisades 85 years before had forced the Italian, Giovanni da Verrazzano, to turn back. He'd started up the New World river in 1524. He would have named it the Santa Margherita, and Hudson's name might never have survived.

Luckiest thing of all, both for Hudson and for the populous, productive valley that bears his name, was that this voyage did not end up as tragically as the next one, his fourth of record, in 1610. His crew again mutinied. They put Hudson, his young son John and several loyal seamen into a small rowboat and set them adrift in the huge, hostile northern bay that now bears Hudson's name. The nine were never heard from again. History did not record whether Hudson's wife and other children back in England were compensated by the Dutch East India Company for their loss.

But Hudson's contract with the company for his famous third voyage has been found by researchers, and the indemnity clause it contains is unique in the annals of life insurance.

The Dutch merchants agreed to provide

Lucky Henry Hudson

"Henrij Hudson, Englishman," with a "little ship," victuals and crew. He was, "if possible, to return thereafter, to report . . . truthfully to the Directors, and to give over his logbook, courses, maps, and all that befell him on his voyage, without holding back anything."

"For which said voyage," the contract continued, the Directors were to pay Hudson, to outfit his ship for the trip as well as to support his family while he was gone, the paltry sum of 800 guilders, the equivalent of $320.

Then came the insurance clause: "In case (which God prevent) he do not come back or arrive hereabouts within a year, the Directors shall further pay to his wife 200 guilders ($80) in cash; and thereupon they shall not be further liable to him or his heirs, unless he shall either afterwards or within the year arrive and have found the passage good and suitable for the Company to use"—in which case, presumably, Hudson would be richly rewarded.

He should have collected handsomely just for finding the American river, considering the wealth that now flows in and around it, making it one of the world's great waterways. ⊙

New York State Department of Commerce

Bear Mountain Bridge crosses the Hudson River at one of most scenic points in New York State. The Palisades, misty Hudson Highlands, blue Catskills impress tourists as vividly today as they did Hudson in the golden autumn days 350 years ago.

CHEERS FOR THIS SCHOOL

Its lessons could avert tragedies in thousands of schools.

UNDER OTHER CIRCUMSTANCES, the burning of the old Robert Louis Stevenson Junior High School in Los Angeles would have been a sad ending to a famous old school memorializing the author of "Treasure Island."

But it brought cheers instead—cheers by school children, firemen, city officials, fire-safety equipment manufacturers, insurance men and other anti-fire-loss-minded groups alike.

For the controlled, studied burning of the school produced new insight into school fire prevention and could assure survival as heart-warming, if not as thrilling, as the tales of "Treasure Island." As one of history's few acclaimed fires, the burning pointed up:

¶ That schools need smoke detection devices first, ahead of sprinklers, to get an ultra-prompt alarm before smoke and heat block off use of corridors as pupil exitways.

¶ That sprinklers providing total coverage are needed to keep down ceiling heat, confine and control fire spread in the area of origin.

¶ That it is too hazardous to depend on corridor evacuation of students; revised exit-thinking is needed to provide more outside-the-building escapes, possibly in the form of stairs from continuous balconies.

Findings in the Los Angeles study shed new light on last year's frightening Chicago school fire, in which two minutes made the difference between usable corridors and smoke-closed death traps. Robert Louis Stevenson School has dramatized, too, that much remains undone in protecting the 43 million American children returning to classes this fall. Example: the recent

FIRE!

Fire was extinguished after each test to permit further study. One finding: at high temperatures, combustible acoustical tile ceilings flared into a massive "gas burner" with a small blue-flame jet out of each hole.

Los Angeles Times Photos

discovery of 4,105 fire violations in New York City schools, 400 more than were turned up six months ago in an emergency inspection following the Chicago tragedy and termed "astonishing" by Fire Commissioner Edward J. Cavanagh, Jr.

Conditions in at least several thousand present-day older school buildings are probably no better than they were in the Robert Louis Stevenson School. Doomed to be razed, it was given to the Los Angeles Fire Department for full-scale fire-spread tests, with financial backing and testing materials from the Ford Foundation, A.D.T. electric protection service, and automatic sprinkler companies.

Sectionalized partitions were installed so that fire tests could be observed — and terminated, thus saving the rest of the building for further tests. For two months, Los Angeles fire officers studied and fire-tested all conceivable cases of unprotected, partially-protected and totally-protected situations involving sprinklers, heat detection, alarms, combustible acoustical ceilings, smoke detection and venting.

Much of the valuable data is still being sifted by the corps of experts working on the project. But the carefully studied burning of old Robert Louis Stevenson Junior High already has produced a monumental plenty for parents and school officials to think about—and act upon—as school resumes this fall. ⊙

Devices such as specially-built doors and walls with viewing windows helped establish that corridor pupil-evacuation must be within 2 to 4 minutes in ordinary open-stair buildings.

ASSIGNED RISK "RED INK"—1957

(Whenever losses exceed approximately 65% of earned premiums, plan is n

Percentage figures indicate proportion of loss expense to premium income.
Dollar amounts represent loss expense in excess of earned premiums;
in four states not shaded
dollar amounts are premium excess beyond losses.

- Losses totaled less than $1.00 for every $1 of earned premium.
- Losses totaled up to $1.25 for every $1 of earned premium.
- Losses totaled up to $1.50 for every $1 of earned premium.
- Losses totaled more than $1.50 for every $1 of earned premium.

Source: Mutual Insurance Rating Bureau industrywide figures—latest available combined bodily injury and property damage experience for auto liability insurance on private passenger cars.

**Complete Massachusetts loss figures not available.*

NATIONAL SUMMARY—ASSIGNED

	Number of Claims	To Lo
Bodily Injury	30,009	$33,1
Property Damage	54,094	10,5
Combined BI and PD	84,103	43,7

s, plan is not self-supporting.)

—ASSIGNED RISK LOSSES

mber of Claims	Total Losses	Losses in excess of earned premiums	Ratio of losses to income
0,009	$33,158,561	$13,341,184	167%
4,094	10,555,349	1,889,128	122%
4,103	43,713,910	15,230,312	153%

BAD NEWS FOR GOOD DRIVERS

Latest figures show assigned risks, nation-wide, are costing careful drivers money.

THERE ARE MORE than one million passenger cars insured in the U. S. today under assigned risk plans in the various states. The name derives from the fact that private insurance firms provide, on an assigned basis, coverages for drivers who do not meet normal qualifications and are unable to obtain insurance by themselves. In many cases, these drivers should not be on the highways at all.

Assigned risks share another characteristic: Across the nation, they are being subsidized for a substantial part of their losses by the insurance premiums of the rest of the driving public.

Considering that the assigned risk losses shown here do not include operating expenses within each plan, drivers who meet normal insuring standards are carrying even more of the load than the map indicates. Generally, the proportion of losses and claim settlement costs to premiums—the percentages on the map—should average around 65 per cent if assigned risks paid their own way.

Two current trends are headed right in making assigned risks more self-supporting. One is to require greater surcharges, the additional premiums paid by drivers insured through assigned risk plans. The other is to introduce rate-making techniques which put more emphasis on the accident experience of assigned risk drivers. ⊙

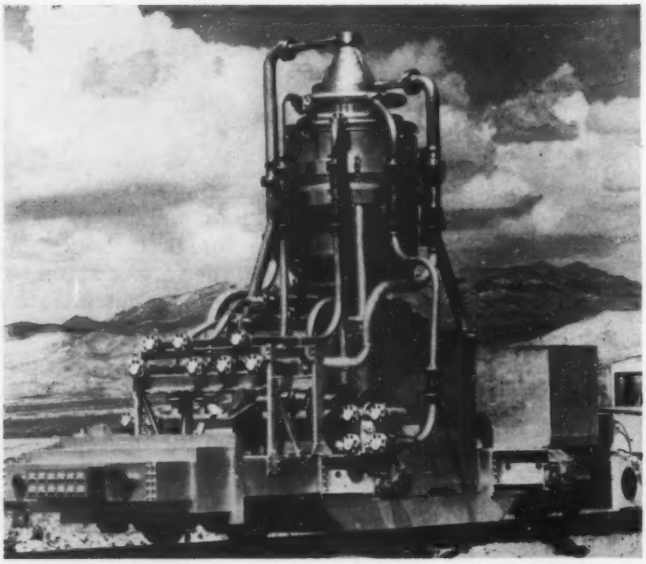
AMERICAN TAXPAYERS have some $185 million invested in Los Alamos. Occasional current news, such as announcement of the first direct conversion of nuclear reactor energy into electricity, implies the immensity of the taxpayers' return. But only a privileged and authorized few citizens ever get beyond the security gates. What goes on here? What are the people like? And what do the tax-provided millions and the challenging mysteries promise for our future welfare? Here, Charles A. Perry, a special *Journal* author on nuclear subjects, conducts an armchair tour to seldom-viewed scenes at one of the most famous and awesome spots in the world.

INSIDE LOS

A magnum bonum

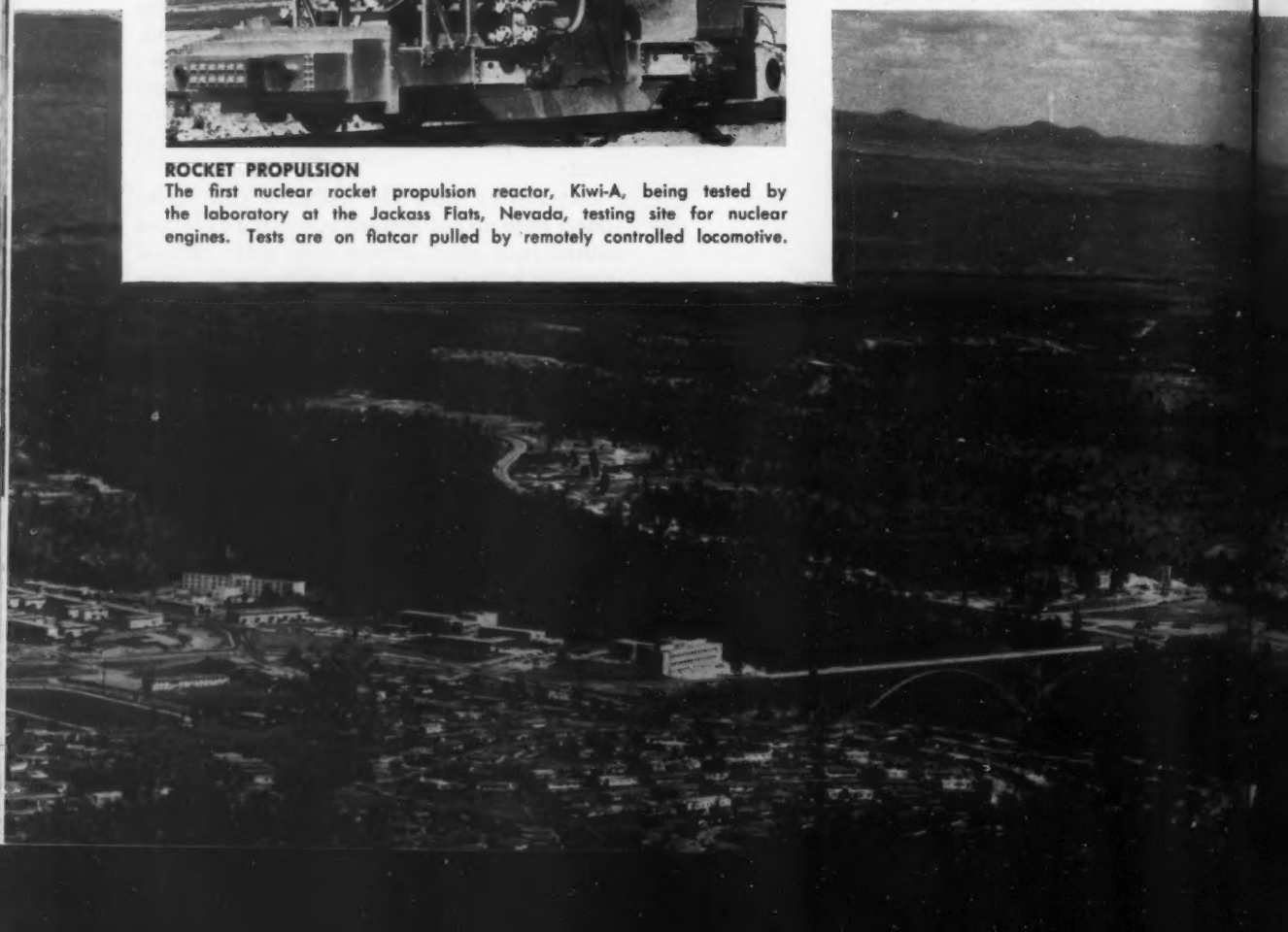
THERE IT IS—the Los Alamos Scientific Laboratory and community — atop a mesa 7,400 feet high in a remote section of New Mexico. This is a modern community of 14,000 people and the nation's principal nuclear weapons development installation. Selected during World War II as the site of the TOP SECRET development of the atom bomb, the laboratory is now making new history in the development of the atom for peace.

This small town probably has more PhD's among its residents than any other town of



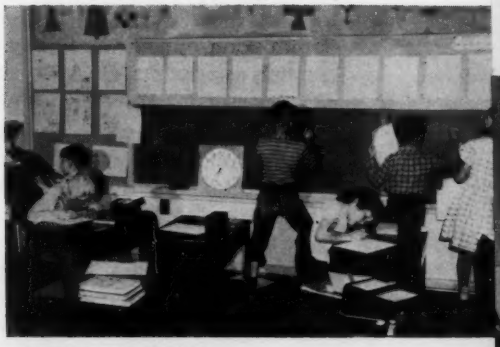
ROCKET PROPULSION
The first nuclear rocket propulsion reactor, Kiwi-A, being tested by the laboratory at the Jackass Flats, Nevada, testing site for nuclear engines. Tests are on flatcar pulled by remotely controlled locomotive.

Atomic Energy Commission and Los Alamos Scientific Laboratory Photos



GUARDED SECRETS
Although the laboratory has become pre-eminent in the U. S. program for peace-utilization of the atom, strict security is still necessary to protect this stronghold of the nation's nuclear weapon secrets.

MEDICAL CENTER
Included in the $55 million which U. S. taxpayers have invested in town buildings and facilities of Los Alamos is the 84-bed medical center, one of the country's finest hospitals.



MODERN EDUCATION
Children of the 3,500 scientists, technicians and other staff at Los Alamos are provided with 11 modern schools and one of the state's best teaching staffs.

OS ALAMOS

onum insurance for security and the commonweal.

its size and is reminiscent of a small college community with its civic symphony, dramatic groups and chess clubs. The laboratory, operated for the U. S. Atomic Energy Commission by the University of California, employs approximately 3,500 scientists, technicians and administrative personnel. The town is further unique in that it belongs to the U. S. taxpayers—$55 million worth of houses, schools and stores.

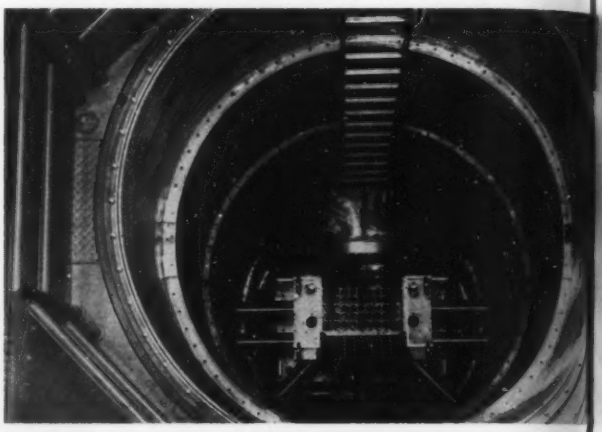
Here is assembled every research tool the atom scientist could want. The technical library, one of the largest between the Mississippi and the Pacific coast, contains more than 75,000 volumes and 250,000 reports. Public investment in the lab buildings and equipment is more than $130 million.

This laboratory is pre-eminent in the U. S. program to control thermonuclear reactions —the source of the power of the H-bomb and of the sun. The goal is the economic generation of power from such cheap energy sources as sea water, which contains enough heavy hydrogen to supply the world with power for more than a billion years. Scientists at the lab have designed and built a number of machines in an attempt to compress gases to high temperatures by means of magnetic fields and have reached temperatures of 6 million degrees Centigrade.

That is but one of many promising peacetime applications of atomic energy at the laboratory, under the leadership of Dr. Norris E. Bradbury. A second peace-useful feat was signalized on April 7, 1959, when Los Alamos scientists achieved the first direct conversion of nuclear reactor energy into electricity by means of a small device known as a "plasma thermocouple," about the size of a frozen-orange-juice can. While the initial test was on a small scale, the simple, low weight, low cost plasma thermocouple opens new vistas in the fields of nuclear power, especially nuclear propulsion in space. ⊙

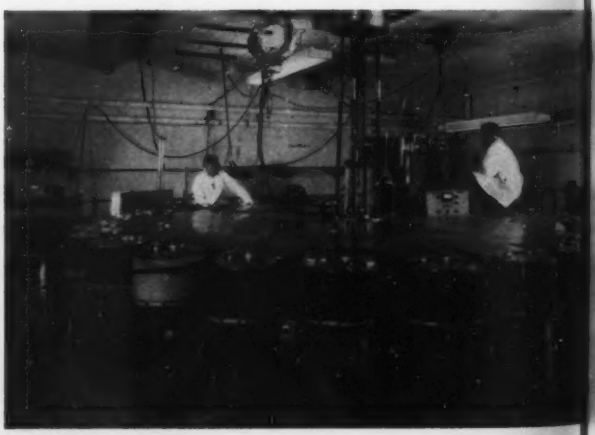
MEMORABLE MOMENT

Scientists atop Omega West reactor watch instruments record the first direct conversion of nuclear reactor energy into electric power. Essential plasma thermocouple is out of sight in the core.



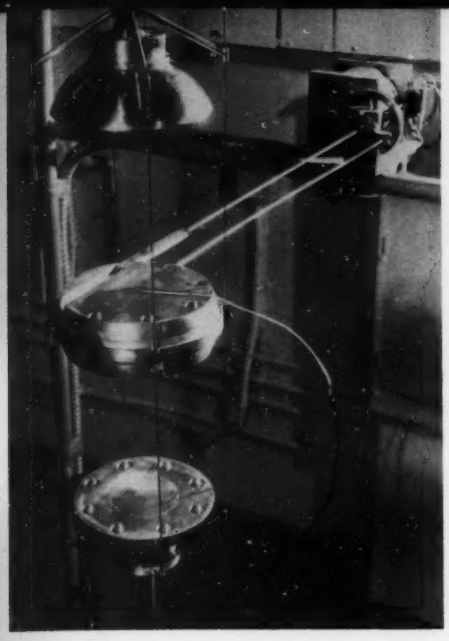
NEWEST, MOST VERSATILE

Bird's-eye view, core of Omega West, research reactor. Thermal column, control rod system and lid removed; ladder is temporary. Shows re-entrant column, matrix, dummy elements, several ports.



INCREDIBLE POWER

Columbus II, designed as the largest of the laboratory's thermonuclear machines in fusion power work, gets 1 million amperes of current in 2 millionths of a second from 25 powerful condensers.

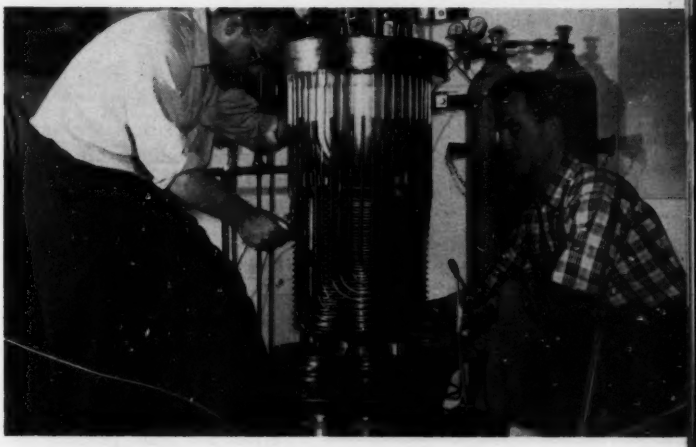


WORLD RARITY

Jezebel and two other Los Alamos critical assembly machines are the only known three in the world. Operated by remote control and TV-observed, it permits complete safety in assembling fissionable material.

WHOLE-BODY COUNTER

This new device, about to receive the young woman, measures, among other things, the amount of radiation normally emitted by a human from radioactive substances in all living things.

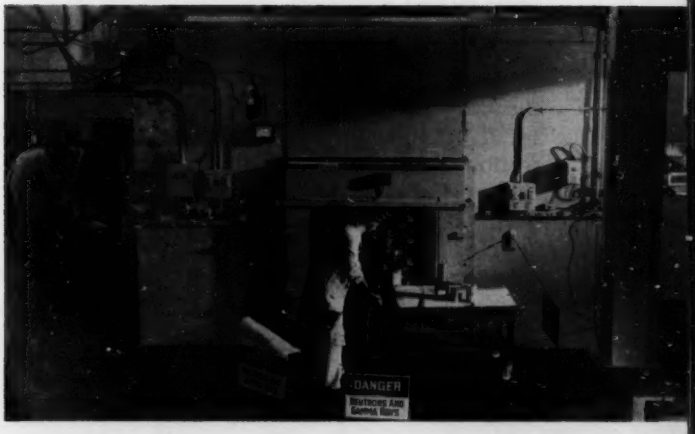


STEAM POWER

Gold-clad heat exchanger lowered into Lapre II reactor is designed to produce super-heated steam in one simple operation by using liquid uranium fuel also acting as a coolant.

H-BOMB HARNESS

Perhapsatron S-4 device may yield secret of control for thermonuclear reaction. Progress to date: gas in tube has been heated to 6 million degrees.



OLD STANDBY

This "water boiler," the patriarch of research reactors, is renowned as the link with the laboratory's famous past. Many reactors both here and abroad have been patterned after it.

TREASURE HOUSE OF KNOWLEDGE

Esther Bubley

Columbia students meet at wrought iron gate in the Butler Library lobby.

Columbia University's Libraries, $20 million value, are insurance-protected.

IF "the world of books is the most wonderful creation of man," as Clarence Day once declared, it should not be surprising that a single corner of that world could be valued at many millions of dollars.

One such corner, its assets painstakingly inventoried and priced, is the Columbia University Libraries in New York. The books and manuscripts, records and rarities—the sixth largest university collection in the U. S.—bear a total price tag of nearly $20 million, apart from the buildings and equipment.

With such an investment, built up through the 205-year-history of this distinguished university, Columbia relies upon insurance for protection against financial loss by fire or other hazard.

While public and state university libraries often go uninsured, assuming government bodies would appropriate funds to cover losses, libraries which are part of private institutions "may well regard a well-designed insurance program as the one sure way to obtain the substantial sums which would be needed to reconstitute the library after a severe loss," says Charles W. Mixer, assistant director of the Columbia Libraries. Sad experience with fire, water damage and other hazards has proved false the old belief that "nothing much ever happens to libraries." Yet, according to the American Library Association, many libraries are uninsured or seriously underinsured.

Columbia takes no chances with its treasured collection. It has insurance protecting such prizes as 775 ancient papyrus manuscripts, valued at $38,750, and George Washington's diary for 1798, worth $12,000. While insurance funds could never replace these items if they should be destroyed, the libraries would be reimbursed.

Altogether, Columbia has more than half a million dollars worth of rarities, insurance-protected by a fine arts policy. Defined as items or collections valued at $500 or more, these rarities include first editions of *Marco Polo: Travels, 1477* (insured value: $10,000) and of Dickens' *Christmas Carol;* a Joan of Arc collection worth $17,690; two silk oriental rugs valued at $1,500 each; a 1669 copy of Milton's *Paradise Lost* (500); 126 volumes of Civil War clippings ($500), and a collection of miniature books, some smaller than a postage stamp.

The bulk of Columbia's library collection, though, is, of course, its books. So that insurance coverage will be as complete and up-to-date as possible, library officials, aided by the university's insurance advisers, take inventory every four years. At last count they tallied 2,900,000 volumes spread through 34 departmental libraries and reading rooms in 12 different buildings. Total value: more than $15 million.

The books are covered by all-risk valuable papers insurance, giving broader protection than ordinary fire and extended coverage. The

Columbia University News Office

Nicholas Murray Butler Library, built in 1934 for $4 million, houses a majority of Columbia's 2,900,000-volume collection.

rate for this is higher, but premiums were reduced by adopting a maximum probable loss feature. The libraries also insure fine arts objects borrowed for exhibits, and books in transit or at commercial binderies. The university insures all of its buildings and equipment on a fire and extended coverage policy.

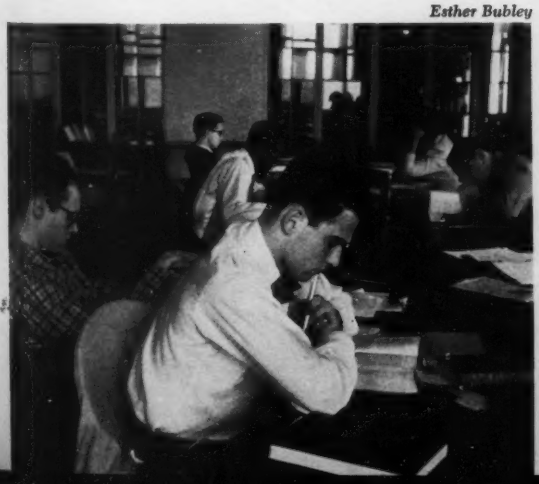
Books vary greatly in cost, so computing values is a tedious job, but worth it, Columbia believes, for full insurance protection. Costs range from an average of $3.82 for adult fiction to $12.77 for illustrated architecture books, 29 cents for a government document to possibly $20 for a reference book, according to latest ALA figures. Depreciation must be figured in, and it also varies, from 10 to 15 per cent a year on reference books up to 60 per cent on fiction.

Microfilms at $24 a reel, phonograph records and tapes, films ranging from 30 cents for a black-and-white slide to $115 for a reel of 16 mm. sound color film, and Ph. D. dissertations which could cost $100 or more to have retyped also are among the libraries' insured assets.

The greatest single value in the Columbia Libraries, the casual reader might be surprised to learn, is the main card catalog. Housed in the reference department of Butler Library, it

Reading room is "home" to many scholars, but few probably realize the accumulation of wealth books represent. Single art or medical volume may be valued at and insured for $12 to $15.

Esther Bubley



Cost of replacing Columbia's 3½ million-card catalog would be more than $1 million, so fire detection systems and fireproof doors were installed to protect it from danger of fire loss.

Columbia University Libraries

contains 3½ million cards, and is valued at $1,154,331.

The man hours alone which would be required to reconstitute the catalog, should it be destroyed, have been computed at 572,715. Insurance would provide up to $1.5 million for this task.

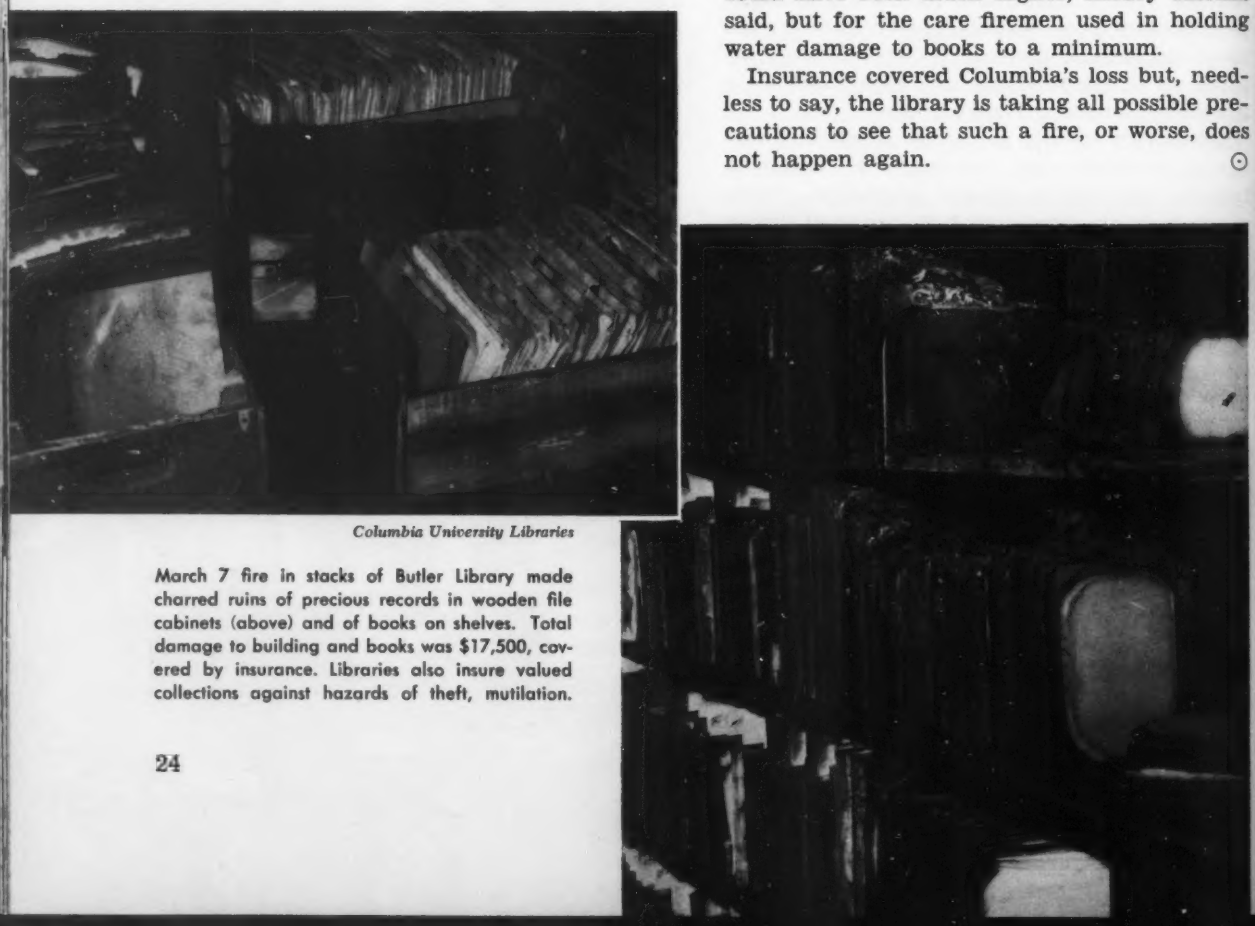
But just the thought of the laborious research and clerical labor it would involve puts the card catalog almost into the same category as the rarities — virtually irreplaceable. And so Columbia and its insurers rely on loss prevention. In this case, they installed fire detection systems in the reference and cataloging departments. These would automatically sound an alarm if the ceiling temperature in either area reached 155 degrees.

Some libraries have undertaken to microfilm their card catalogs, giving them a record from which to make up new cards should the originals be destroyed. Columbia began doing this as a protective measure during World War II. Between August 1942 and November 1943 the entire main catalog was copied onto 640 reels of film, and filming of new entries continued for seven years. This reduced the valuation, and thereby the insurance premiums, on the catalog. But library officials found the expense of microfilming far offset insurance savings, and the estimated cost and difficulty of transcribing the films onto new cards was so great that they discontinued filming and decided to concentrate on loss prevention instead.

One loss prevention feature is being built into Columbia's new law library, now under construction. It is a separate room for the card catalog, with fire-resistant walls and a roller-type door which will be raised and lowered electronically. The room may also be equipped with a carbon dioxide firefighting system.

Columbia found what fire can mean to a library this spring, when the first fire of any consequence since Butler Library was occupied 25 years ago took place. A graduate student working in the stacks first noticed smoke coming from a ventilating duct outlet and reported it. The fire apparently had started in packing boxes being stored for shipping use, spread to a wooden filing cabinet nearby, and then to the book stacks. Total damage by the time firemen controlled the blaze: some $17,500. It could have been much higher, library officials said, but for the care firemen used in holding water damage to books to a minimum.

Insurance covered Columbia's loss but, needless to say, the library is taking all possible precautions to see that such a fire, or worse, does not happen again. ⊙



Columbia University Libraries

March 7 fire in stacks of Butler Library made charred ruins of precious records in wooden file cabinets (above) and of books on shelves. Total damage to building and books was $17,500, covered by insurance. Libraries also insure valued collections against hazards of theft, mutilation.

September 2, 1666

GREAT FIRE OF LONDON

Franklin's fire-fighting volunteers were bound to respond to alarms at any time, equipped with leather buckets, hooks, and goods-carrying bags.

New York City's 1835 fire, an early historic one in the U. S., taught its lessons at a cost of $15 million loss to buildings and property on 13 acres.

New York Historical Society

THIS WAS THE MONTH, almost 300 years ago, when fire insurance as now known in Great Britain and the U. S. originated in the wake of the Great Fire of London. Soon thereafter, Nicholas Barbon had set up a London "office for insuring houses and buildings."

Various schemes evolved from this with varying success until 1696. Then, a group of about 100, largely master builders of London, seeking safer, cheaper insurance, formed what was to be an exemplary and lasting institution—the first purely mutual fire insurance company.

Benjamin Franklin fashioned history's next chapter in fire insurance to climax his fire crusading. Profiting from English experience, he introduced fire insurance to Philadelphia and the colonies in 1750; two years later, on March 25, 1752, he founded The Philadelphia Contributionship for the Insurance of Houses from Loss by Fire, still the oldest active insurance company in the U. S., and the only extant pre-Revolutionary corporation.

Fire fighting and fire insurance have supplied one of history's most thrilling and long-sustained records of mankind's united effort against a common enemy. Net fire losses paid by insurance companies totaled some $2¼ billion in 1957, latest reported year. Of these, 2,258 were mutual companies paying losses of $358 million.

Uninsured, our annual fire toll would be calamitous, indeed. Since 1914 more than 50 fires have each done $2¼ million or more damage to insured property, exclusive of transportation, forest, mine and dwelling fires and explosions. Fire of some consequence breaks out every 37 seconds in some U. S. city.

In retribution, The Great Fire of London brought fire insurance. New York City's fire of December 16, 1835, when wells and cisterns were frozen, forced the introduction of a new water supply. The Great Chicago Fire dramatized need for sounder construction in large cities, was followed by a rebuilding era with an eye to fire protection as portrayed present-day on the *Journal* back cover. ⊙

U. S. BOOKS
Heralds of Good Will

Metropolitan Life Insurance Company

From beginning to the happy ending, here's how one insurance company sent its "Books Abroad." Donations were collected in the lobby, sorted by professional librarians and packed for shipment overseas. These boys in Athens were only three of thousands all over the world to benefit from the campaign, a People-to-People project.

"THIS WILL NEVER BE a civilized country until we expend more money for books than we do for chewing gum."

Elbert Hubbard said it of America, but, adapted, it fits the whole world: This will never be a civilized world until we put more emphasis on books than we do on bombs.

The "creed has been put into deed" with the organization of "Books Abroad" drives, one of several contributions by U. S. insurance company employees to America's People-to-People Partnership program promoting world peace.

Many countries around the world bear witness to the peace potential of the gift books.

In Lebanon, for example, the National University in Beirut organized a law department and began to offer courses. The people were proud; they place great importance on the teaching of law in a Lebanese institution. But in the university library, in this tiny nation so important to the U. S. as a friend in the turbulent Middle East, there was scarcely a law book to be found.

In Afghanistan, teachers work gamely to reduce illiteracy. But with $8 to $12 a month the average worker's wage, even a newspaper is a luxury, and books priceless objects indeed. Attempts to tell people in this nation bordering Russia about another important country in the world—the U.S.A.—are hindered by a lack of American history books, biographies, literature, texts on how to teach English.

From giant neutralist India, ardently wooed by East and West, come frequent appeals for

more books in English. The West would have to go some to match the book contribution of the Communist bloc: 6 million in 1958 alone.

And halfway around the world in South America, where anti-Yankee resentments explode all too often, all too few books are available to give the people true or favorable views of the U. S. In sprawling Brazil, 70 per cent of the population is made up of impressionable young people under the age of 30. They're hungry for learning, and studying English by the hundreds of thousands. But Brazilian schools and libraries lack English books in every conceivable category, from children's textbooks to adult fiction and philosophy.

Situations like this are the challenge that employees of America's insurance companies accepted as their own. With enthusiastic generosity they have sent their "Books Abroad" drives way over the top. And now their contributions, hundred of thousands of books of all types, are on their way to the law students of Lebanon, the struggling teachers of Afghanistan, the eager young minds of all Europe, Asia, Africa, Latin America.

In New York City one week this June, employees of 19 firms picked through their home bookshelves and brought in 100,000 volumes for "Books Abroad." Their goal was 40,000. But some 72,000 came from New York Life Insurance Company alone, for example—an average of 12 books per person.

Some 15 professional librarians from the New York and Brooklyn Public Libraries and the Insurance Society of New York donated days off and evenings to sort the books, see that they were suitable and in good condition. Army and Navy personnel gave time, trucks and storage space to help get the books on their way overseas. They went to 11 countries, from Laos, on Red China's border, to the Belgian Congo, from Libya to the Philippines.

Baltimore Workers Bring Books for Burma

Baltimore insurance employees held their drive earlier. They donated 11,500 books for Burma. Other cities collecting books this year include Boston, Cincinnati, Los Angeles, Milwaukee, Nashville, Newark, New Orleans, Philadelphia, San Francisco and St. Paul.

A number of companies also have placed American book shelves in foreign libraries, schools and hospitals through CARE, at $30 for 99 volumes.

The enthusiasm of the nation's insurance company workers for the program has been contagious from the start. In the very first drive the goal was 7,000 books to help equip seven school and public libraries in the new Republic of the Sudan. Total contribution: 16,000 usable books, enough to fill the Sudan's request and send a sizable shipment to Greece too.

That pioneer drive, in October 1957, was conducted in the home office of Metropolitan Life Insurance Company, whose president, Frederic W. Ecker, has been chairman of the insurance committee since the People-to-People Foundation was organized that February.

People-to-People Takes on Many Faces

In May 1958, employees of Metropolitan's Pacific Coast office collected 7,000 volumes for Indonesia, Burma and Thailand. The next month a city-wide drive in Hartford, Connecticut, under insurance auspices, brought in 25,000 for Nigeria, Malaya, India and Burma.

"Give a book you'd like to keep" is a slogan for the drives, and the high quality of the books collected shows donors do just that.

"Books Abroad" drives are but one phase of the insurance industry's People-to-People effort. There are other programs, too, like these:

Royal Globe Insurance Group of New York established a fellowship for graduate study in the U. S. by a student from England.

Liberty Mutual Insurance Company began

Yacoub Osman, Sudan's UN delegate, greets Frederic H. Ecker, People-to-People insurance committee chairman, at start of first book drive. Irene Dunne, UN alternate delegate, watches.

Metropolitan Life Insurance Company

sending its house organ to a few people overseas. The idea snowballed, and now more than 100 foreign readers on six continents are picking up helpful ideas on rehabilitation, accident prevention and a profile of how America lives, from the publication.

Erie Insurance Exchange of Erie, Pennsylvania, has been helping destitute children in Europe and the Far East for 15 years through the Foster Parents Plan. Employees now give nearly $5,000 a year to support 22 war orphans.

Group Health Mutual of St. Paul, Minnesota, has an employee exchange program with Nigeria. In addition, its employees have given almost $1,000 to CARE for India's agricultural program.

Then there's letter-writing, the most personal and meaningful link to far-away places for many People-to-People participants. As just one example, Metropolitan Life at last count had nearly 1,000 employees corresponding with workers in 116 insurance organizations in 48 foreign countries. A number of them have made or are planning visits abroad as a result.

One employee, president of Massapequa Junior High School PTA in New York, used his contact with a man at Asahi Mutual Life of Tokyo to arrange a student exchange program. Young New Yorkers and their counterparts in Tokyo now learn about each other through letters, tape recordings and art exhibits. A similar program with a school in Australia is being planned, another good example of the far-reaching effect of the People-to-People effort and its implications for world peace and understanding. ⊙

Wide World

FROM THE WHITE HOUSE:

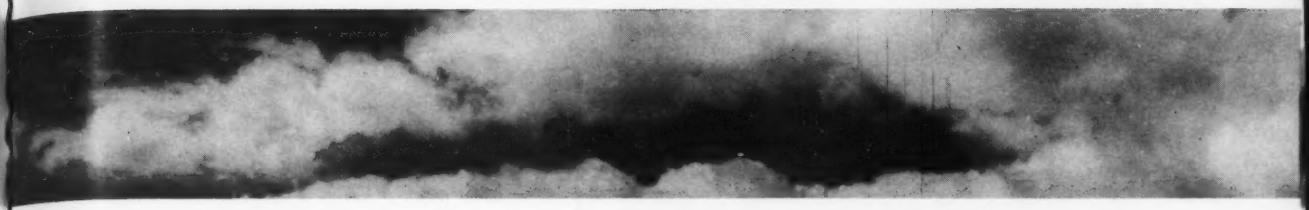
PRESIDENT EISENHOWER, who launched the Program for People-to-People Partnership at a White House Conference September 11, 1956, and subsequently appointed the insurance committee and 40 others representing most phases of American life, has given the *Journal* this comment in connection with the foregoing article, U. S. Books — Heralds of Good Will, reporting on the insurance industry's "Books Abroad" project.

THE WHITE HOUSE

Washington

History records how the living ideas of civilization were saved and nourished behind a wall of books. Our libraries today serve the same cause, for the defenders of freedom must remain strong in mind and heart. From the famous metropolitan libraries of America to the modest bookmobiles that serve our rural areas, books guard the wisdom of the past and kindle the ideas of tomorrow.

Dwight D. Eisenhower



LONG ON LOSS PREVENTION

Industrial fire safeguards have made Factory Mutual Laboratories world-renowned.

Factory Mutual Laboratories Photos

On a 70-acre tract at Norwood, Massachusetts, Factory Mutual research and testing facilities have been the site of an unmatched array of developments in industrial fire protection.

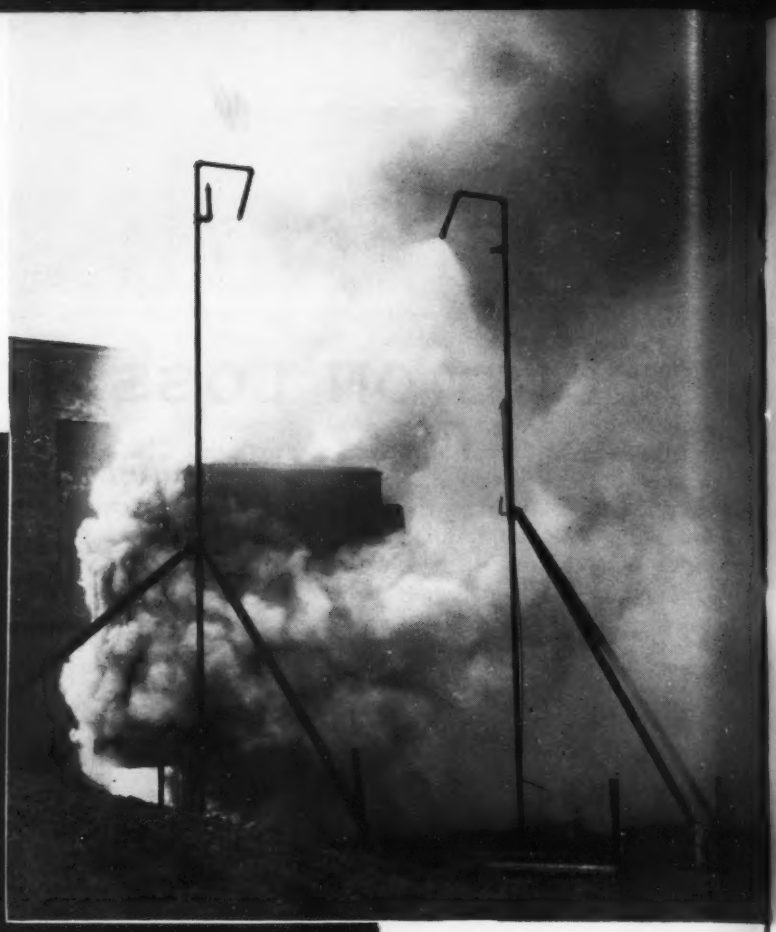
FOR A PEACE-USE BOMB, America is well out in front in at least one field—and it's no secret.

It's an ingenious dust-explosion test bomb. That makes it high-priority hardware, for dust explosions are a threat in many industries. In fact, the forebear of this bomb was a $6 million explosion which occurred a few years ago in molding starch at a candy factory.

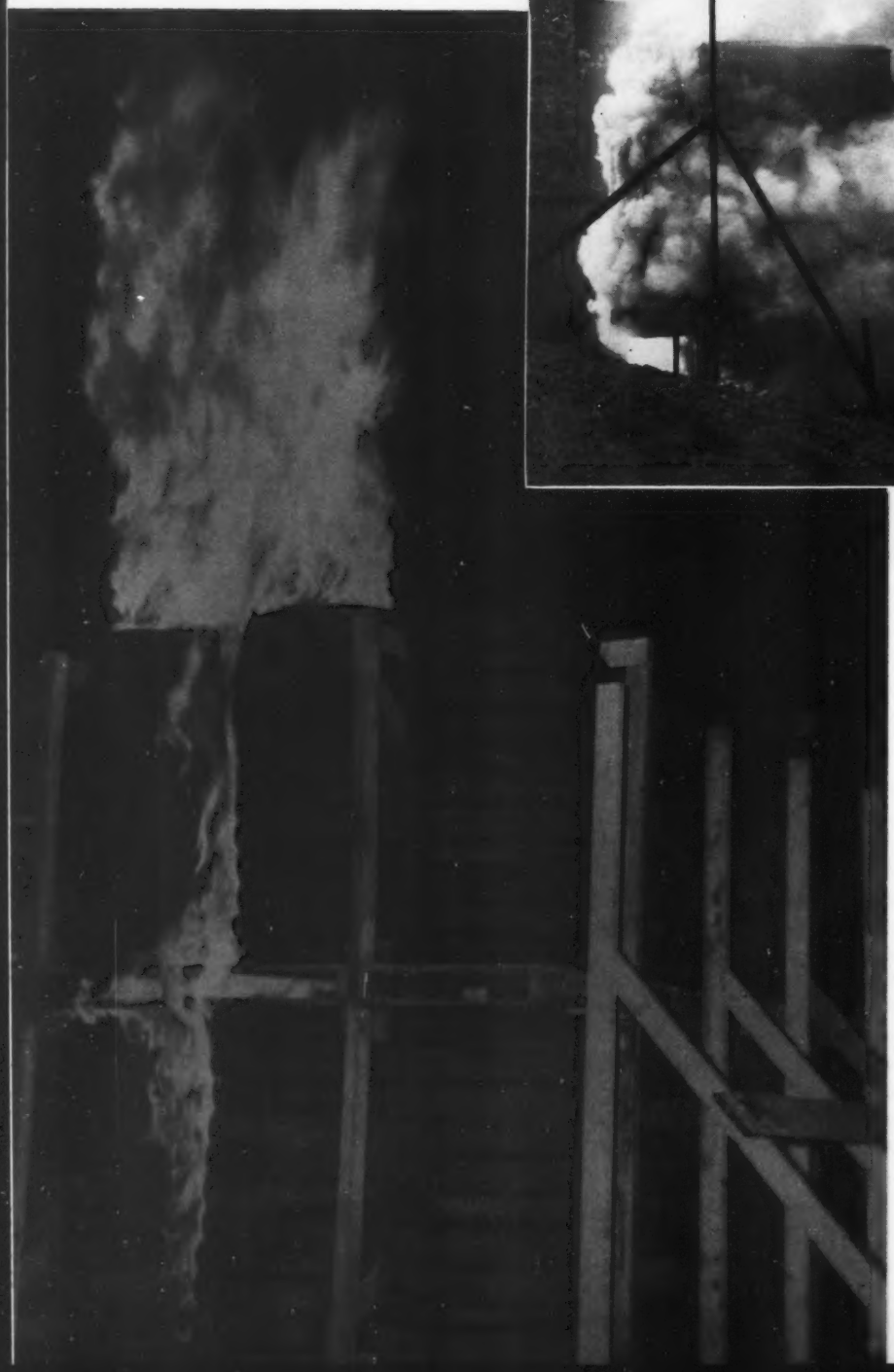
Research engineers in the 70-year-old, world-renowned laboratories of the Engineering Division, Associated Factory Mutual Fire Insurance Companies, Norwood, Massachusetts, set out to prevent a repetition of such a catastrophe. And the bomb they came up with is so reliable that they can, under controlled conditions, analyze the explosive properties of any combustible dust and recommend adequate safeguards. Technically those safeguards include "minimum practical explosion vent ratios."

In many other fields, too, Factory Mutual Laboratories have put the U. S. out front, for it is the first and only institution in the world devoted solely to the study and development of industrial fire protection. Research and test jobs at the laboratories cover a long and varied list of problems, from fire tests of flammable liquids to investigation of spontaneous heating in foam rubber compounds. Most of the protection for

Long on
Loss Prevention



Protecting oil-filled transformers with water spray, today's standard practice, was first demonstrated at the Factory Mutual Laboratories in 1938. Recent research has improved technique by adding larger nozzles.



Addition of lift truck to industrial picture brought new stacked-high storage methods and attendant fire control problems. FML burned some 25,000 tires while developing the spray nozzle sprinkler as answer.

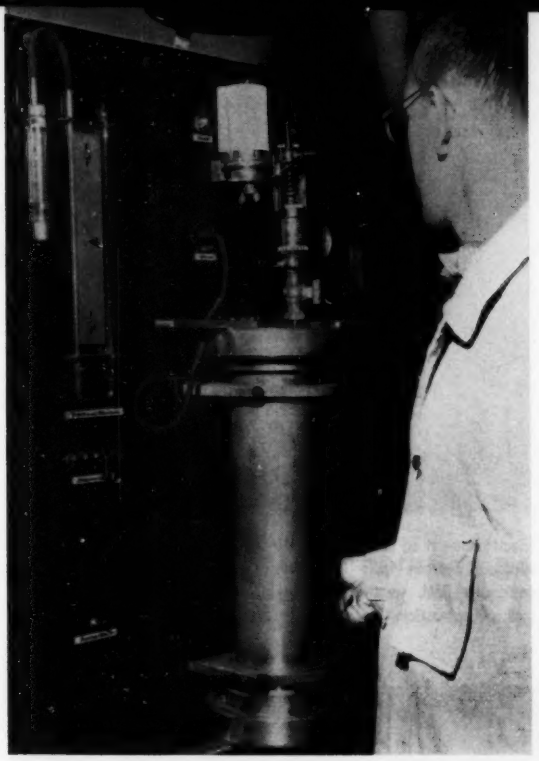
One of largest FML test projects was spurred by a number of unexplained industrial fires. Study turned up new facts on effect of insulation and vapor barrier of metal roof decks on fire spread.

industry's special fire hazards is a development of FM engineering.

More than 2,500 devices are listed in the Factory Mutual Approved Equipment Manual which is revised annually and sent to all insured properties in the system. All equipment listed in the manual bears the FM approval symbol as a mark of reliability and quality in the loss-prevention field. Hence, anyone buying equipment listed in the manual is assured of what he is getting. How and where the equipment may be properly used, and the advantages and limitations of each type, are also described in the manual.

The laboratories themselves have become the epitome of a system that marked a turning point in industrial property insurance in the United States and Canada. This was the Factory Mutual Insurance system, founded in 1835 by Zachariah Allen, a pioneer in the early New England textile industry. He had, in 1822, built a textile mill that embodied to an extent possessed by no other mill every known structural safeguard against fire, together with water pumps, hydrants and hose. After some years of operation the mill stood out as that rare one in New England least likely to be destroyed by fire.

However, when Allen presented these facts to his underwriters as a just basis for a lower rate, he was told that his was still a textile mill and that he would be granted no relief from the standard rate. Thereupon he organized a group of prominent mill owners into a "bloc against fire" by making their mills as fire resistant as possible, by keeping them as clean as possible, by providing watch service when the mills were idle and by maintaining fire brigades within the mills. And the form of insurance which they set up was essentially the mutual insurance of today for protecting property from the ravages of fire and protecting property owners from inequitable or unjust rates.

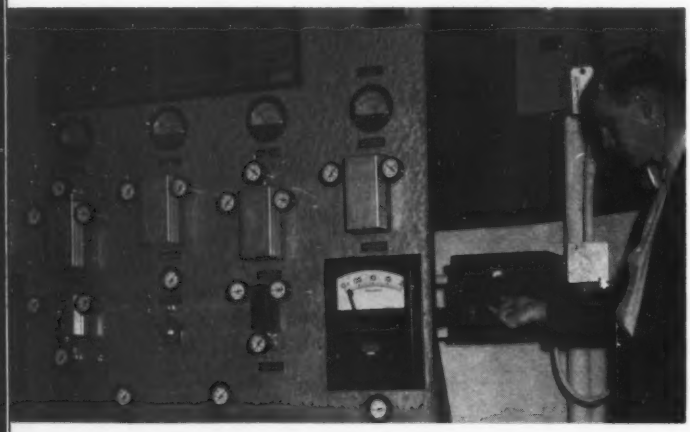


First dust-explosion test bomb to yield reliable results was developed by Factory Mutual Laboratories following a molding starch explosion at a candy factory with a $6 million loss. Now, safeguards can be recommended for any combustible dust.

Allen-inspired, the first factory mutual company was chartered in 1835; today eight Associated Factory Mutual Fire Insurance Companies provide almost $70 billion in industrial insurance protection in the U. S. and Canada.

Facilities for development work in loss prevention have been maintained and expanded for

Measurement of discharge rate of a nozzle for a fixed carbon dioxide system falls to extinguisher division, one of seven separate FML testing sections. Others are sprinkler, chemical, combustion, hydraulics, electrical and pure research.



New equipment warns of small fires before sufficient heat is developed to actuate automatic sprinklers. FML research in fire and smoke detection has led to several recent patents in this area vital to protecting schools, other properties.

Long on Loss Prevention

more than 70 years by the FM system. Outstanding was the pioneering work on the hydraulics of hose streams, on the fabrication of improved fire hose and on the design of the steam fire pump.

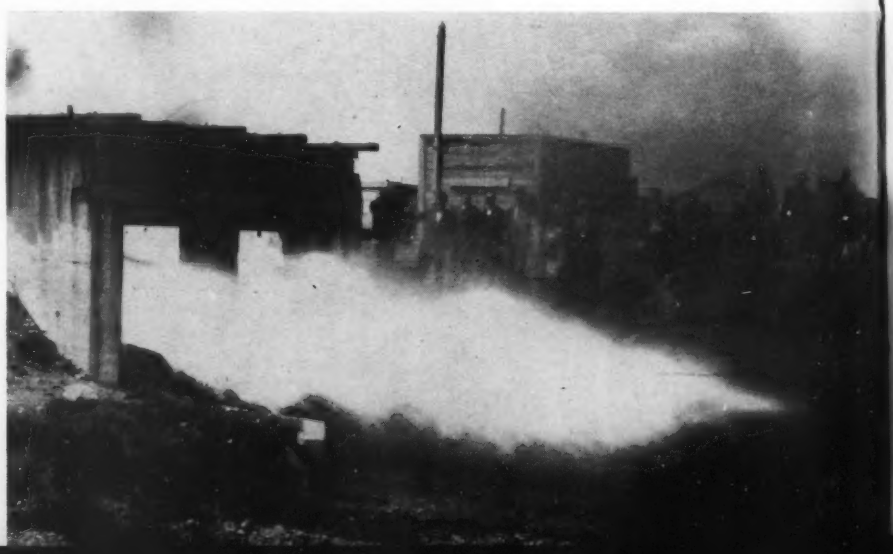
Today the missile-modern FM testing facilities include seven separate sections: sprinkler, chemical, electrical, combustion, hydraulics, extinguishers and research. The laboratories and staff are equipped to handle a wide range of four tough jobs for manufacturers: solve a fire protection problem, improve an existing product, develop a new product or furnish proof of product performance.

Among numerous research breakthroughs was the development of the spray-type automatic sprinkler, hailed as the greatest design advance in half a century. As with other FM discoveries, the design was made available without cost to sprinkler manufacturers and today has been universally adopted as the standard sprinkler.

Automation and the modern production line furnish a striking example of how the FM laboratories have kept loss prevention abreast of the times ever since the pioneering Allen laid the wooden shingles of his textile mill in mortar. Modern production-line techniques have required openings through floors and fire walls, rendering structural fire cutoffs ineffective. FM research into this problem perfected a system whereby such openings can be protected by a water-spray-induced counterdraft.

Similarly, the future will have loss prevention problems anew, space stations an example. On the basis of past performance, FM laboratories can be counted upon to come up with the solutions. ⊙

Bikini Atoll of the loss prevention business is FML explosion chamber. In it, dusts, metal powders, vapor-air mixtures and explosives are set off at high combustion rates to test resistance of wall panels and roofs.



Fabian Bachrach

Commissioner Alfred N. Premo, new secretary-treasurer of the NAIC, and vigorous exponent of state regulation of insurance.

CLOSE-UPS OF OUR COMMISSIONERS

PREMO OF CONNECTICUT

COLORFUL CONNECTICUT, first in the U. S. in such diverse fields as producing aircraft engines and men's hats, claims one of the world's most treasured collections of insurance-protected architecture. More than a thousand houses in the Nutmeg State date back to colonial times; the majority are still in use as homes.

Venerable landmarks abound: The site of the first American law school (1784) at Litchfield; Nathan Hale's Coventry homestead; historic Webb House where Washington conferred with Rochambeau, America's French ally in the 1781 siege and capture of Yorktown. Of famed Connecticut "salt box" design, construction of Webb House in Wethersfield was begun in 1752, the same year in which Ben Franklin, in Philadelphia, laid the cornerstone for the American fire insurance industry.

Another renowned Connecticut residence is the Mark Twain house in Hartford, historic center that today is home to more than 40 leading U. S. insurance firms. Connecticut's stature insurance-wise is evidenced by the total assets of companies domiciled in the state, now nearing $13 billion.

Public confidence in insurance, attested to by those assets, is further documented in Connecticut fire and casualty activity. Total annual premiums are now in the vicinity of $350 million, with mutual firms recording an increase of nearly 20 per cent in the two latest reported years.

Annual contributions to the state income through taxes for some 550 insurance firms operating in the state is now well in excess of $11 million, reports Insurance Commissioner Alfred N. Premo, who heads a department established in 1865.

An insurance man for 37 years, Premo is a native of Hartford and served in naval intelligence in World War I. Special agent for the Hartford Steam Boiler Inspection and Insurance Company from 1922 to 1955, he still retains leave-of-absence status from that company.

A member of the Knights of Columbus and a Hartford Elk for 39 years, Premo is also an author and publisher of insurance texts and holds the copyright on the widely-used Premo Insurance Plan. ⊙

Nation's most prized sea-linked museum is at Mystic. Connecticut also has world's first shipyard to spawn a nuclear sub.

Connecticut Development Commission

KEMPER